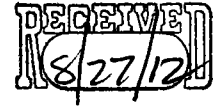


Congress of the United States
Washington, DC 20515



August 22, 2012

Mr. Daniel M. Tangherlini
Administrator (Acting)
U.S. General Services Administration
1275 First Street, NE
Washington, DC 20417

Dear Acting Administrator Tangherlini,

It is our understanding that the General Services Administration, on behalf of the Department of the Navy, is engaged in the divestiture of the government-owned, contractor-operated Naval Weapons Industrial Reserve Plant (NWIRP) in Dallas, Texas. We are advised that the prospective purchaser is American Brownfield Vought, LLC, a Texas limited liability company and that the sale will close on or about August 30. (American Brownfield Vought, LLC, which was incorporated on June 3, 2011, has no relationship or connection to Vought Aircraft Industries, Inc.)

The Department of the Navy has leased the facilities to Triumph Aerostructures, formerly Vought Aircraft Industries, Inc. (and previous tenants, including LTV and Northrop Grumman) since the 1940s. Triumph Aerostructures is a long-standing, first tier defense contractor, currently supporting the production of multiple Department of Defense platforms at the facilities. Triumph is the Air Force's largest aerostructures subcontractor on the C-17 Globemaster III. It produces the highly sophisticated composite wings for both the RQ-4 Air Force Global Hawk unmanned aerial vehicle (UAV) and the Navy MQ-4C Broad Area Maritime Surveillance (BAMS) UAV.

On June 14, 2012, the Vice Chief of Naval Operations, Admiral Mark Ferguson, introduced the first production MQ-4C stating "this capability has never been needed more as we rebalance toward the Pacific. BAMS will provide an asymmetric advantage to the U.S. Navy. Long-range persistent surveillance transforms the nature of warfare at sea."

Triumph also manufactures cabins for the Army and Navy variants of the H-60 Black Hawk helicopter, significant metal and composite structures for the Marine Corps MV-22 tilt-rotor Osprey aircraft, the Air Force CV-22 Special Operations Osprey aircraft and the wings for our military's entire C-37 fleet. These aircraft structures and components are assembled mostly under subcontract with prime contractors to the United States Air Force, the United States Navy (including the USMC aviation programs) and the United States Army.

Upon the closing of the sale of the facilities to the purchaser, Triumph's lease terminates. The purchaser and Triumph have conducted preliminary discussions regarding a new lease for Triumph's continued occupation of the facilities. In those discussions, the purchaser has indicated that it will insist that the lease terms long established by the Navy be revised to more than double the cost of the facilities by:

- i. Significantly increasing the cash rent per year;
- ii. Shifting responsibility to Triumph for all long term capital maintenance, including deferred long term capital maintenance that the Navy and GSA has estimated to be \$120 million;
- iii. Imposing responsibility on Triumph for compliance with local building code ordinances from which the facility was, as owned by the Navy, exempt; and
- iv. Imposing responsibility on Triumph liable for environmental contamination for which it would otherwise not be liable.

We support the goal of divesting excess federal real property and we take no position on the potential terms of the negotiated contract. We also believe this particular divestiture should be accomplished by the General Services Administration in a way that allows for the continued production of key military weapon systems at the NWIRP.

In light of the national importance of Triumph's defense production programs at the NWIRP and its more than 2,800 highly skilled aerospace employees in North Texas, Senators Kay Bailey Hutchison and John Cornyn as well as Congresswoman Kay Granger and Congressman Kenny Marchant wrote directly to GSA Administrator Martha Johnson on May 9, 2011 expressing their significant concern: "specifically, we request information on how you will ensure the uninterrupted production of the above mentioned weapon systems. It is vital that the GSA-Navy plan supports the continued production of these crucial weapon systems in the near term." (Attachment 1)

On June 1, 2011, each of the legislators cited received what now proves to be an inadequate, dismissive response from a GSA Regional Administrator, Juan D Salinas, III which (1) failed to acknowledge the GSA-Navy intervention in adding the significant environmental remediation liability of annexing Cottonwood Bay and, more importantly (2) unconditionally ignored the paramount issue of ensuring the uninterrupted production of indispensable Department of Defense weapon systems. (Attachment 2)

While we take no position on the contract, we note that a GSA fact sheet announcing the offer of the NWIRP referenced a study estimating "the outstanding capital maintenance at approximately \$120M." In addition, the sale process has combined the NWIRP property with the adjoining Cottonwood Bay property and has required the buyer to take over the Navy's

acknowledged responsibility inclusive of the responsibility for completing the environmental remediation of Cottonwood bay. The Navy has acknowledged full responsibility for the consequences of annexing Cottonwood Bay at a cost of \$17M for remediation, for which the prospective owner will look to recover from Triumph as part of the lease arrangement.

Given the massive liabilities associated with the property, Triumph understandably could not rationalize purchasing the NWIRP property. However, with the purchaser indicating that it will insist that the lease terms long established by the Navy be revised to more than double the cost of the facilities, the direct fiscal impact on the cost of producing each of the weapons systems exacerbates the concerns we outlined to the Secretary of the Navy on May 9, 2011. We now also believe this sale will put at risk a substantial portion of the 2,800 highly skilled experienced aerospace employees that support the production of these critical weapons systems.

Acting Administrator Tangherlini, given the inadequate response we received on June 1, 2011 coupled with the enhanced threat to the uninterrupted production of the NWIRP programs, we respectfully request that your office examine the circumstances and provisions of the proposed Navy-GSA sale. Thank you, Mr. Tangherlini. We look forward to your response.

Sincerely,



Hon. Kenny Marchant
Member of Congress



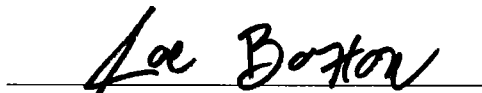
Hon. Kay Granger
Member of Congress



Hon. Eddie Bernice Johnson
Member of Congress



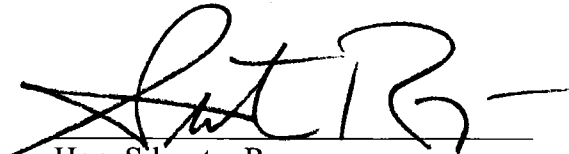
Hon. Sam Johnson
Member of Congress



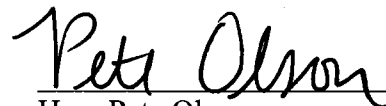
Hon. Joe Barton
Member of Congress



Hon. Pete Sessions
Member of Congress



Hon. Silvestre Reyes
Member of Congress



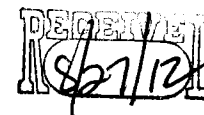
Hon. Pete Olson
Member of Congress

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WASHINGTON, DC 20515-4324

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M.C.



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